

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

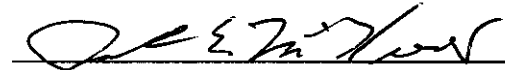
POSTAL RATE AND FEE CHANGES, 2000

:
DOCKET NO. R2000-1
:

ANSWER OF UNITED PARCEL SERVICE WITNESS
STEPHEN E. SELICK TO UNITED STATES POSTAL
SERVICE INTERROGATORY (USPS/UPS-T2-2)
(July 3, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby
files and serves the answer of UPS witness Stephen E. Selick to the following
interrogatory of the United States Postal Service: USPS/UPS-T2-2.

Respectfully submitted,



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Of Counsel.

ANSWER OF UNITED PARCEL SERVICE WITNESS SELICK
TO INTERROGATORY OF THE UNITED STATES POSTAL SERVICE

USPS/UPS-T2-2. Please refer to your testimony, UPS-T-2, at page 5, lines 2-6. You state, "The 'migration' of some costs previously defined at Window Service (and assigned to Cost Segment 3.2) and Administrative (and assigned to Cost Segment 3.3) should be reversed to ensure treatment consistent with the Commission's established practice." Please also refer to your Docket No. R97-1 response to USPS/UPS-T2-17 (Docket No. R97-1, Tr. 26/14222), where you stated that you "have not testified that the existing [pre-Docket No. R97-1] method for distributing administrative costs is more accurate than witness Degen's proposed methodology."

- a. Please explain whether it is still the case that, as you stated in Docket No. R97-1, your current testimony, UPS-T-2, does not indicate "that the existing [pre-Docket No. R97-1] method for distributing administrative costs is more accurate than witness Degen's proposed methodology."
- b. If your response to part (a) indicates that you now believe that there is a reason (or reasons) to reverse the "migration" of costs, other than to "ensure treatment consistent with the Commission's established practice," please state and describe fully each reason, and provide all related data and/or analysis that supports your position.

Response to USPS/UPS-T2-2.

- (a) As in Docket No. R97-1, I have not testified in this case that the existing (pre-Docket No. R97-1) method for distributing administrative and window service costs

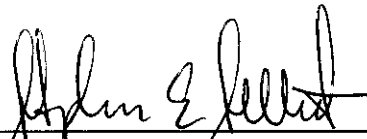
ANSWER OF UNITED PARCEL SERVICE WITNESS SELICK
TO INTERROGATORY OF THE UNITED STATES POSTAL SERVICE

is more accurate than the methodology proposed by witnesses Degen and Smith. As in Docket No. R97-1, I reverse the "migration" of certain costs previously defined as Window Service and Administrative in order to preserve the treatment (both for volume variability and in cost distribution) that is consistent with the Commission's established practice.

(b) Not applicable.

DECLARATION

I, Stephen E. Sellick, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

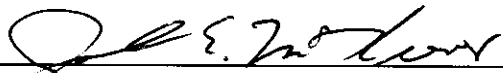


Stephen E. Sellick

Dated: 7/3/00

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Commission's Rules of Practice.



John E. McKeever
Attorney for United Parcel Service

Dated: July 3, 2000
Philadelphia, Pa.